

<i>SERFF Tracking Number:</i>	<i>PHYS-126257801</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Physicians Mutual Insurance Company</i>	<i>State Tracking Number:</i>	<i>43315</i>
<i>Company Tracking Number:</i>	<i>PMA3152</i>		
<i>TOI:</i>	<i>LTC03I Individual Long Term Care</i>	<i>Sub-TOI:</i>	<i>LTC03I.001 Qualified</i>
<i>Product Name:</i>	<i>LTC</i>		
<i>Project Name/Number:</i>	<i>PMA3152/PMA3152</i>		

Filing at a Glance

Company: Physicians Mutual Insurance Company

Product Name: LTC	SERFF Tr Num: PHYS-126257801	State: Arkansas
TOI: LTC03I Individual Long Term Care	SERFF Status: Closed-Filed	State Tr Num: 43315
Sub-TOI: LTC03I.001 Qualified	Co Tr Num: PMA3152	State Status: Closed
Filing Type: Advertisement		Reviewer(s): Marie Bennett
	Authors: Sonya Dickey, Sara Magee-Garcia	Disposition Date: 08/31/2009
	Date Submitted: 08/25/2009	Disposition Status: Filed
Implementation Date Requested: On Approval		Implementation Date:

State Filing Description:

General Information

Project Name: PMA3152	Status of Filing in Domicile: Not Filed
Project Number: PMA3152	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Group Market Size:
Overall Rate Impact:	Group Market Type:
Filing Status Changed: 08/31/2009	Explanation for Other Group Market Type:
	State Status Changed: 08/31/2009
Deemer Date:	Created By: Sara Magee-Garcia
Submitted By: Sonya Dickey	Corresponding Filing Tracking Number:
	PMA3152

Filing Description:

RE: Long Tem Care Insurance Advertisement

Institutional Long Term Care Presentation: PMA3152

Attached are copies of the above referenced material for your review and approval. This material will be used by licensed agents in your state to create an interest in Long Term Care Insurance in general and our following Long Term Care policies:

Policies	Approval Dates
P145AR	8-11-04
P146AR	8-11-04

SERFF Tracking Number: *PHYS-126257801* State: *Arkansas*
 Filing Company: *Physicians Mutual Insurance Company* State Tracking Number: *43315*
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P147AR 8-11-04

P148AR 8-11-04

The icons on slide 15 and 17 are instructional for the agents. They instruct the agent to use the NAIC shoppers guide and the previously approved Long Term Care brochures and highlight sheets. The speaker notes on slide 5 contain two sentences that include variables. These have been indicated with brackets.

If you have any questions concerning material, please contact me at 1-800-228-9100, option 1, option 6, extension 1663. You may also contact me via email at Sonya.Dickey@physiciansmutual.com. Your assistance in getting the material approved for use in your State is greatly appreciated.

Company and Contact

Filing Contact Information

Sonya Dickey, sonya.dickey@physiciansmutual.com
 2600 Dodge Street 800-228-9100 [Phone]
 Omaha, NE 68131 402-633-1096 [FAX]

Filing Company Information

Physicians Mutual Insurance Company	CoCode: 80578	State of Domicile: Nebraska
2600 Dodge Street	Group Code: 367	Company Type:
Omaha, NE 68131	Group Name:	State ID Number:
(402) 633-1188 ext. [Phone]	FEIN Number: 47-0270450	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$40.00
Retaliatory?	No
Fee Explanation:	\$40 per form, 1 form included
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Physicians Mutual Insurance Company	\$40.00	08/25/2009	30088266

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Marie Bennett	08/31/2009	08/31/2009

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Disposition

Disposition Date: 08/31/2009

Implementation Date:

Status: Filed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Form	PMA3152		Yes

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Project Name/Number: *PMA3152/PMA3152*

Form Schedule

Lead Form Number: PMA3152

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	PMA3152	Advertising PMA3152	Initial			PMA3152.pdf

How important are your family and finances?

Living a Long Life



Physicians Mutual Insurance Company®
a member of the Physicians Mutual® family



SPEAKER NOTES - Slide 1

Let's take some time to discuss some very important decisions you may have to make for your future. In other words – what choices should you make today to take care of tomorrow's needs?

What we'll talk about today ...

- ☒ Your biggest concerns about growing older
- ☒ What can happen to your family and finances
- ☒ Will you be able to pay for your extended care
- ☒ Your plan of action

SPEAKER NOTES - Slide 2

Discuss agenda.

What is extended care?

**If you get sick or have
an accident ...**

**You may need help with your
day-to-day activities**

**You can receive a variety of services
in your home, community or a facility**



SPEAKER NOTES - Slide 3

Let me first explain to you what extended care is. It is different than traditional medical care in that it doesn't necessarily improve or correct medical problems; instead it is a variety of services you receive to help with your day-to-day activities.

Care could be provided in your home, community, or at an assisted living facility or nursing home.

Have you known someone ...

Who needed extended care – perhaps
a parent, brother, sister or friend
of the family?



SPEAKER NOTES - Slide 4

In order for me to know more about you and your needs, I would like to know if you, or someone you know, have had an experience with extended care?

If client answers "yes," talking suggestions include:

What happened? Who provided the care? How long did the illness last? Where was the care provided? What impact did the situation have on the children and family?

If client answers "no," talking suggestions include:

Let me share a couple of stories about what has happened in my family. Let me tell you about a situation one of my other clients recently had.

As you can see, situations involving this type of care can impact families both emotionally and financially, as well as be very time consuming and disruptive.

How can families be affected?

Emotional stress ...

Providing care can cause strain on relationships

Physical stress ...

Caring for a loved one can be tiring

Financial stress ...

They may have to use their own savings

SPEAKER NOTES - Slide 5

As we talked about earlier, oftentimes when one thinks about extended care experiences, it is the impact on family that one remembers. Have you thought about what the impact could be on your family if you needed extended care?

Providing care for a loved one can have emotional, physical and financial stress on families. First of all, the emotional strain providing care can cause on relationships can be a great concern. For example, if one person feels they are doing all the work while another isn't doing enough, conflicts can arise within the family. And the emotional stress a person goes through can be draining and add worry to their lives.

Plus, caring for someone can be physically tiring, especially if the person isn't used to providing that care.

Then, if you don't have enough money to pay for the care yourself, your family may end up dipping into their savings to pay for the care – that puts their financial future in jeopardy as well. Just think about it ... could your [spouse/children/sibling/friend] afford to pay, year after year, for your care – on top of the bills they already have?

Keep in mind, the family structure of today creates additional concerns that must be considered. For example, families today are more spread out, often living in different states. That means more burden may fall on the ones that live closest. Or it can be even trickier if no one lives close at all. In addition, even if they live close by, people often work outside the home, which can mean less flexibility with their time during the day. Could [one of your spouse/children/sibling/friend] afford to cut back their hours at work (or quit their job altogether) to take care of you?

Caring for loved ones puts many families in a situation commonly referred to as the "sandwich" generation, that is caring for young children of their own as well as their parents. This can also contribute to the financial and emotional strain on loved ones.

We also have to consider the impact of one spouse caring for another spouse in the home day after day. This may create an enormous emotional burden and even feelings of guilt that may prevent the caregiver to seek outside help.

Your biggest concerns about growing older ...

- ☐ You want to be independent as long as possible
- ☐ You don't want to be a burden on your family
- ☐ You want every opportunity to stay in your home
- ☐ You want options if you need extended care
- ☐ You don't want to worry about the cost of your care

SPEAKER NOTES - Slide 6

Because of the effects extended care can have on families and finances, people often have very specific concerns about what may happen when they get older and if they need care.

What are your biggest concerns? Is any one of these more important than the other?

By knowing which areas are most important to you, we can make sure those needs are specifically met.

People are living longer ...

Are you prepared to live a long life?

Female age 65
20 more years



Male age 65
17 more years



SPEAKER NOTES - Slide 7

As you are probably aware, life expectancy is getting longer. Just out of curiosity, do you think you will live a long life?

If client answers "no":

Many of my clients have felt the same way. I remind them, however, that their retirement portfolio is probably based on living to age 90 (or longer) and my guess is that your retirement portfolio is based on living a long life, as well.

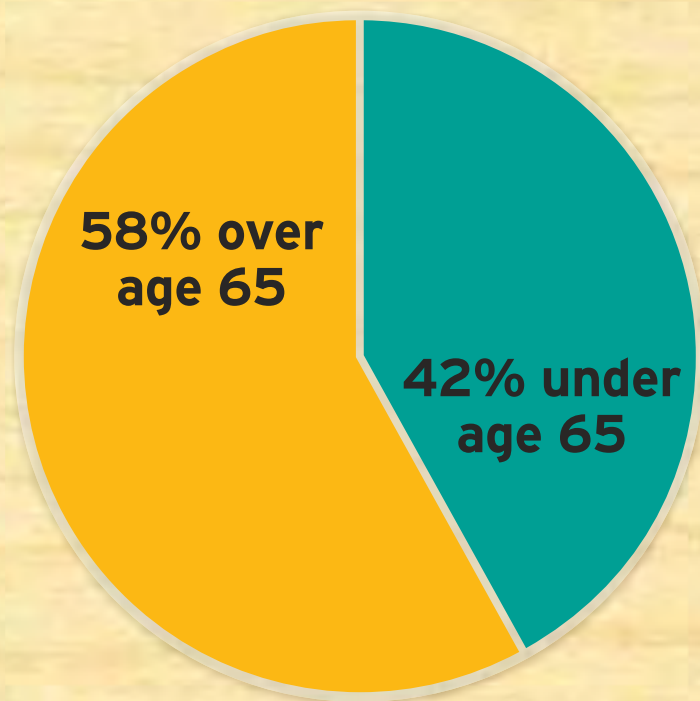
Plus, according to the National Center for Health Statistics, a 65-year-old man can expect to live another 17 years and a 65-year-old woman can expect to live another 20 years.¹

If client answers "yes":

You're probably right. According to the National Center for Health Statistics, a 65-year-old man can expect to live another 17 years and a 65-year-old woman can expect to live another 20 years.¹

¹ "United States Life Tables, 2004," National Vital Statistics Reports, National Center for Health Statistics, December 28, 2007

Extended care affects more people than you think ...



- 14% in nursing home
- 86% of care received at home or in community

SPEAKER NOTES - Slide 8

The need for extended care can arise at any time in a person's life, due to unexpected illness, disease, injury or car or sporting accidents. In fact, 42% of people with extended care needs are younger than age 65 ... that's almost half!

Just think about it. Every second of every single day, there is one person out there who suffers a disabling injury.² Those are pretty staggering odds. When you're in your 20s, 30s or even 40s you never think about getting injured in an accident and needing care for years afterwards. But the sad fact is, it does happen.

And who do you think takes care of these people? Most of them are not in nursing homes like you would think. Most extended care is received at home or in the community (86% to be exact), while only 14% is received in a nursing home. Around-the-clock, 24-hour care is a lot to ask for (both emotionally and financially) even from those who love you most.

1 Health Policy Institute, Georgetown University, analysis of data from the 2005 National Health Interview Survey and the 2004 National Nursing Home Survey, published in "Medicaid and Long-term Care Services and Support," Kaiser Commission on Medicaid and the Uninsured, February 2009

2 "Injury Facts® 2007 Edition," National Safety Council, 2007

What are the odds ...

You have a higher chance of needing extended care than you have of being in a car accident or having a house fire



SPEAKER NOTES - Slide 9

You don't see 1 out of 2 houses on fire or 1 out of 2 cars in an accident, but you still have insurance to cover the costs in case they happen to you. The chance of needing extended care is much greater than this, so it just makes sense to also have a plan for the likelihood of needing extended care.

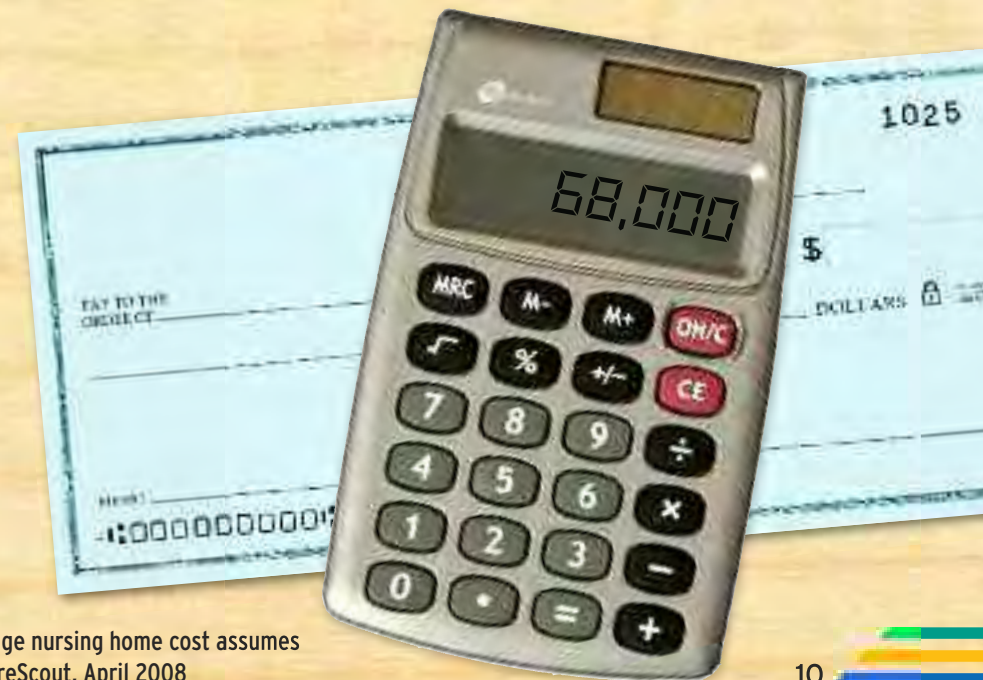
After all, 65% of people age 65 will need care at home while 35% will need care in a nursing home' ... that means your chances of needing care of some kind are pretty high.

¹ "Long-Term Care Over an Uncertain Future: What Can Current Retirees Expect?" by Peter Kemper, Harriet L. Komisar and Lisa Alecxih, *Inquiry*, Winter 2006

Can you cover these expenses?

If you need one year of care at home,
you'll pay ... **\$18,000**

If you stay one year in a nursing home,
you'll pay ... **\$68,000**



National average home care cost assumes home health aide visits three times a week; national average nursing home cost assumes care in semi-private room; information from: "2008 Cost of Care Survey," Genworth Financial and CareScout, April 2008

SPEAKER NOTES - Slide 10

Extended care is expensive and if you don't make plans now, the financial impact it could have on your retirement savings (not to mention the savings of your loved ones) could be devastating.

One year of care at home, if you need personal care from a home health aide about three times a week (which is the national average), would cost almost \$18,000 a year.¹

One year of care in a nursing home, based on the 2008 national average, costs over \$68,000 for a semi-private room.¹ Now keep in mind, the average time a person stays in a nursing home is over 2 years², so that is actually over \$136,000 you are spending.

It is also important to keep in mind costs for extended care services vary greatly depending on the type and amount of care you need, the provider you use, and where you live.

Do you have money to pay for these costs that won't interfere with your retirement savings?

1 Home care cost assumes home health aide visits three times a week; nursing home cost assumes care in semi-private room; information from "2008 Cost of Care Survey," Genworth Financial and CareScout, April 2008

2 "2004 National Nursing Home Survey: Current Residents, Table 13," National Center for Health Statistics, 2004

Where will the resources come from?

- 1 Health insurance**
(traditional coverage, Medicare)
- 2 You**
(income, assets, additional insurance)
- 3 Medicaid**

Out of curiosity, how do you feel you could fund any extended care needs?

Talking suggestions include:

The first thing people normally think of to pay for extended care is health insurance – traditional coverage (typically through your employer when you're younger) and then Medicare when you're older. Unfortunately, these types of coverage are not designed to pay for extended care. They will pay some benefits, but they are meant to pay for services that help you get better. Most extended care services are there not as medical treatments to improve or correct health problems, but to help you perform your day-to-day activities. And the reality is Medicare only pays for skilled nursing care for up to 100 days and provides very limited, short-term benefits of at-home care.

If you rely on the VA for your health insurance, they do pay for some extended care for service-related disabilities or for certain eligible veterans, but it probably won't pay all expenses. You should contact your local VA to find out for what services you qualify.

After your health insurance does what it can, the rest of the costs are left up to you. That means you have to use things like your personal savings, 401(k)s, IRAs, pensions, stocks, bonds and annuities to pay for your care. Or, if you planned ahead and bought a specialized extended care insurance policy (typically called long-term care insurance) that can also pay for your care.

Now, your last resort for paying for care would be Medicaid. I call this your last resort because you have to use up most of your assets on your health care before Medicaid is able to help – basically, you "spend down" your assets until you're eligible for Medicaid. That means there is no money left for retirement or for your family after you're gone. State Medicaid programs differ so you should contact your state Medicaid office or Office on Aging for rules in your state.

What is your plan?

Many people have not given much thought to planning for extended care ...

Who will care for you?

Where will you get care?

How will you pay for your care?



SPEAKER NOTES - Slide 12

While many of my clients do not want to think about living a long life and needing extended care, the consequences of not planning can be a cause for concern. What is your plan?

What thought have you given to who would help you? Have you discussed this with them?

Have you thought about where you want to receive care, like whether you want to receive it in your home or go to a nursing home? Most people only go to nursing homes as a last resort for their care. Remember the statistic earlier about only 14% of people actually receive care in a nursing home?¹

However, if you do end up having to go to one, even for just a short period of time, have you researched the ones in your area to make sure you'll be able to receive the quality of care you want? Perhaps talked to professionals in the home health care and assisted living care industries?

Finally how will you pay for your care? Remember how expensive it can be – both for care in your home and in a nursing home.

¹ Health Policy Institute, Georgetown University, analysis of data from the 2005 National Health Interview Survey and the 2004 National Nursing Home Survey, published in "Medicaid and Long-term Care Services and Support," Kaiser Commission on Medicaid and the Uninsured, February 2009

An ideal solution: long-term care insurance

Long-term care insurance can help ...

- **Protect your finances**
- **Protect your future**
- **Ease the concerns of your family**



SPEAKER NOTES - Slide 13

An ideal solution for an extended illness is to purchase a long-term care insurance policy. These insurance policies can help protect your finances, your future and mostly your family.

You have worked hard to build your savings and long-term care insurance can help protect those savings. Choosing coverage that is right for you and your family can help you manage the costs of long-term care.

It can help provide security in knowing that you have protection while helping to protect your assets.

The bottom line is that you buy long-term care insurance because you love your family!

You buy long-term care insurance because you ...

WANT TO EASE
THE CONCERNS
OF LOVED
ONES

WANT
FREEDOM
OF CHOICE

WANT TO
PROTECT
YOUR
ASSETS

DESERVE A
HIGH QUALITY
OF CARE

WANT TO STAY
INDEPENDENT

WANT TO AGE
WITH DIGNITY

WANT TO
REMAIN IN
YOUR HOME

DON'T WANT TO
BE A BURDEN
TO YOUR
CHILDREN

None

Long-term care insurance can help you pay for ...

- Home health care
- Assisted living facility care
- Adult day care
- Hospice care
- Nursing home care
- Respite care



SPEAKER NOTES - Slide 15

As we consider the impact long-term care can have on families, it is important to understand what services are covered in long-term care insurance policies.

These services normally include home health care, assisted living facility services, adult day care centers, hospice care, nursing home care and respite care.

Not all insurance policies cover all of these services in the same way. It is important to ask what services are covered and what limitations there may be on the benefits.

You have some important decisions to make ...

What?

Where?

When?

How long?

How much?



BUDGET		MONTH	
Income		PLANNED	ACTUAL
TOTAL INCOME			
EXPENSES			
MORTGAGE/RENT			
UTILITIES			
GAS/OIL			

SPEAKER NOTES - Slide 16

In deciding what is the best insurance policy for you and your family, there are many important decisions you will have to make. Long-term care insurance policies can be customized to meet your particular situation, your needs and the budget you have to work with.

A few things you're going to want to consider are:

What do you want help paying for and where do you want to receive the care? For example, would you like your insurance to cover both home health care and nursing home stays?

When would you need benefits to start? Meaning, how much of your savings could you use before you would like the insurance policy to start paying?

How long do you want to receive benefits and how much coverage do you want?

If I can put together coverage for you within your budget, how much can you budget for it?

Earlier we talked about ...

- ✓ Your biggest concerns about getting older
- ✓ Long-term care insurance can be an ideal solution



SPEAKER NOTES - Slide 17

Summarize what has been talked about and what is important to the client.

Talking suggestions include:

Okay, your biggest concerns about getting older are: [statements checked on "Your biggest concerns" slide].

Based on those and the rest of the information we've talked about, I think we can start to put together a plan of action for you.

Please consult your agent/producer for more complete details, including costs and limitations of this solicitation of insurance. Products vary by state.

Policy Kinds: P145, P146, P147, P148

LA: P145LA/P146LA/P147LA/P148LA.

NC: P145BB/P146BB/P147BB/P148BB.

OK: P145OK/P146OK/P147OK/P148OK.

TN: Policy Form Numbers: P146TN/P147TN/P148TN.

TX: Insurance policy P145CC is intended to be non-tax qualified. Insurance policies P146CC/P147CC/P148CC are intended to be tax-qualified.

OH Residents, Please Note: You can obtain free information about long-term care insurance from the Ohio Department of Insurance. Call toll-free 1-800-686-1526.

